



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



KEITH CREAGH
DIRECTOR

August 17, 2015

To: Keith Creagh, Director

Information: Natural Resources Commission

Transaction: Proposed October 28, 2015, Oil and Gas Lease Auction

Authority: Part 5, of the Natural Resources and Environmental Protection Act,
1994 PA 451

Auction Method: Oral Auction

Acres Offered: Approximately 22,000 acres

Counties Offered: Allegan, Arenac, Bay, Clare, Crawford, Gladwin, Grand Traverse,
Isabella, Kalamazoo, Kalkaska, Kent, Mecosta, Midland,
Montmorency, Oceana, Ogemaw, Osceola, Presque Isle,
Roscommon, and Saginaw

Lease Terms: Five-year primary term with two one-year extension options, 1/6
royalty rate, minimum bid of \$10.00 per acre, and \$2.00 per acre
annual rental for the primary term.

Special
Restrictions: Certain parcels proposed to be offered for lease may contain
restrictions limiting surface activities where environmental concerns
exist. All oil and gas development activities proposed on state-
owned surface require separate surface use agreements.

Notice: Township supervisors, county commissioners, and potentially
affected private surface owners have been notified of the proposed
auction. Notice of the proposed auction also appeared in the
county newspapers representing the areas where the lands are
located. This item will appear on the September 1, 2015, DNR
Business Calendar and is eligible for approval September 10, 2015.

August 17, 2015

Recommendation: The mineral rights in all the lands being considered should be offered for inclusion in the proposed auction, under the terms and conditions specified.



James L. Dexter, Chief
Fisheries Division



William O'Neill, Chief
Forest Resources Division



Mark B. Sweatman, Director
Office of Minerals Management



Ronald A. Olson, Chief
Parks and Recreation Division



Russ Mason, Ph.D., Chief
Wildlife Division



William E. Moritz, Ph.D.
Natural Resources Deputy

I approve the staff recommendation.

Keith Creagh
Director

Approval Date